

**SPECIAL SESSION
JOINT RENO CITY COUNCIL AND
REDEVELOPMENT AGENCY BOARD
BRIEF OF MINUTES
January 8, 2010**

The Reno City Council and Redevelopment Agency Board held a Joint Special Session at 1:40 p.m. on Friday, January 8, 2010 in the Council Chambers in City Hall.

PRESENT: Councilpersons/Board Members Zadra, Sferrazza, Dortch, Aiazzi and Hascheff.

ABSENT: Councilperson/Board Member Gustin and Mayor/Chairman Cashell.

ALSO PRESENT: City Manager/Executive Director Dreska, City Attorney Kadlic, Chief Deputy City Attorney Chase, City Clerk/Secretary Jones and Dick Scott (Chair of the Redevelopment Agency Advisory Board).

COUNCILPERSON/BOARD MEMBER ZADRA PRESIDED IN MAYOR/CHAIRMAN CASHELL'S ABSENCE.

A.2 APPROVAL OF THE AGENDA - January 8, 2010.

It was moved by Councilperson/Board Member Aiazzi, seconded by Councilperson/Board Member Hascheff to approve the agenda.

Motion carried with Councilperson/Board Member Gustin and Mayor/Chairman Cashell absent.

A.3 APPROVAL OF THE MINUTES - April 9, 2009 and December 15, 2009.

It was moved by Councilperson Aiazzi, seconded by Councilperson/Board Member Hascheff to approve the minutes.

Motion carried with Councilperson/Board Member Gustin and Mayor/Chairman Cashell absent.

A.4 PUBLIC COMMENT

Sam Dehne, Reno resident, presented his views on several issues.

MAYOR/CHAIRMAN CASHELL PRESENT AT 1:48 P.M.

Gary Schmidt, no address provided, presented his views on budget issues.

**AGENDA
ITEM
NO.**

- B.1 Staff Report: **ORDINANCE INTRODUCTION** - Ordinance to amend Title 5 of the Reno Municipal Code entitled "Privileged Licenses, Permits and Franchises," by amending Chapter 5.07 entitled "Alcoholic Beverages," to continue a moratorium on issuance of package alcohol licenses within the Wells Avenue Neighborhood Planning Area Overlay District; and providing other matters properly relating thereto.

Recommendation: The City Attorney's Office recommends that the Council refer the Bill to the Committee of the Whole.

Councilperson/Board Member Sferrazza discussed the purpose of the ordinance.

Matthew Jensen, Deputy City Attorney, said that the second reading of the ordinance would occur on January 20, 2010.

It was moved by Councilperson/Board Member Sferrazza, seconded by Councilperson/Board Member Hascheff to refer Bill No. 6695 to the Committee of the Whole.

Motion carried with Councilperson/Board Member Gustin absent.

- B.3 Staff Report: Update, discussion and potential direction to staff regarding the Fiscal Year (FY) 2009-2010 Budget.

Recommendation: Staff recommends the following:

- 1) Council make a finding that it is necessary to reduce the staff of the City in accordance with all applicable laws and regulations; and
- 2) Agency Board make a finding that it is necessary to reduce the staff of the Redevelopment Agency in accordance with all applicable laws and regulations; and
- 3) Council authorize the City Manager to take all necessary steps to implement a Reduction in Force (RIF) through fiscal year 2009-2010 for all funds and departments in accordance with all applicable laws and regulations.
- 4) Agency Board authorize the Executive Director to take all necessary steps to implement a reduction in force through fiscal year 2009-2010 for all programs in accordance with all applicable laws and regulations.
- 5) Council adopt the Resolution.
- 6) Agency Board adopt the Resolution.

City Manager/Executive Director Dreska said that projected revenue shortfalls have increased since December 2009 with the receipt of additional data, and staff has prepared recommendations designed to balance the 2009-2010 Budget by year's end (June 30, 2010). She said that staff would return at the end of January 2010 with projections and options for the estimated 2010-2011 shortfall, which is currently forecasted at between \$16 million and \$20 million.

**AGENDA
ITEM
NO.**

B.3 Update ... direction to staff regarding the FY2009-2010 Budget -- continued

City Manager/Executive Director Dreska said that while today's focus is on the 2009-2010 Budget, cutting more today will mean having to cut less from the 2010-2011 Budget. She said that every delay exacerbates an already difficult and unpleasant reality, and the City must evaluate its service levels in light of the financial situation. Ms. Dreska said that staff has included in their recommendations a reduction in force of approximately 70 General Fund positions, and of these 70, two are retirements, 22 are vacant, and 47 are currently staffed. Beyond that, she continued, staff has recommended that an additional 8 positions be cut in other funds and agencies, and even with these cuts, staff is expecting a significant additional shortfall for fiscal year 2010-2011. In summary, Ms. Dreska said that staff is requesting that the Council provide direction today for the RIF so that staff can begin the process and have it completed by February 16, 2010 at the latest.

John Shelton, Chair of the Reno Arts Commission, discussed the importance of the arts, and requested the continued support of the Council.

Tim Jones, Chair of the Board of the Nevada Arts Council, discussed the importance of supporting the arts.

Charles Walker, 2365 Eagle Bend Trail, read a prepared statement regarding the current budget crisis.

Michael Fischer, Director of the Nevada Department of Cultural Affairs, requested that the Council handle the budget cuts fairly and proportionately.

Tim Young, on behalf of the Reno Philharmonic Board and local musicians, thanked the Council for their support.

Mark Sullivan, speaking on behalf of the Building Enterprise Fund Committee, discussed the services of the Community Development Department. He said that they have been asked to cut \$500,000 from the Fund, and their recommended priorities for doing so include: 1) reducing indirect costs by 20%; 2) cutting the number of hours worked; and 3) implementing a reduction in force.

Susan Boskoff, Executive Director of the Nevada Arts Council, discussed the importance of the arts.

Clint Neuerburg, Clark Demeritt, and Tony Walker, representing the Holland Project, discussed the importance of the arts.

Nettie Oliverio, Vice Chair of the Reno Arts and Culture Commission, discussed the importance of the arts.

**AGENDA
ITEM
NO.**

B.3 Update ... direction to staff regarding the FY2009-2010 Budget -- continued

Nancy Podewils, representing the Reno Little Theater and the Sierra Watercolor Society, discussed the importance of the arts.

Sam Dehne, Reno resident, presented his views on this issue.

Gary Schmidt, no address provided, presented his views on budget issues.

Jerry Frederick, Business Agent for Operating Engineers Local #39, said that despite Bargaining Unit concessions, the Community Development Director, in order to balance his Department's Budget, has recommended laying off only rank and file people and transferring their work to another Bargaining Unit, which leaves rank and file employees with little motive to cooperate with the City's requests for additional concessions.

The following five individuals presented Public Comment Forms in support of the arts, but did not wish to speak:

Cathy Blankenship, representing the Lear Theater

Tami Castillo Shelton, Executive Director of the Sierra Nevada Ballet

Jessica Miller, 117 La Rue Avenue

Margaret Broughf, 208 Vassar Street

Mary Beaubriand, 2750 Rowland Road

Mayor/Chairman Cashell stated that no one wants to lay off employees or cut programs, but cuts must be made in order for the City to live within its means. He said that only the Legislature has the authority to raise fees or taxes, and Legislative cuts have exacerbated the City and County's financial situation.

Mary Ann Parrot, Finance Director, presented an overview of the Staff Report.

Councilperson/Board Member Sferrazza and Tim Alameda, Interim Fire Chief, discussed the projected shortfall in fire inspection fees, and the plan to move two Fire Plans Examiners to the Fire Prevention General Fund.

**MAYOR/CHAIRMAN CASHELL ABSENT AT 2:50 P.M. ASSISTANT
MAYOR/CHAIRMAN ZADRA PRESIDED IN MAYOR/CHAIRMAN CASHELL'S
ABSENCE.**

Councilperson/Board Member Sferrazza and John Hester, Community Development Director/Redevelopment Administrator, discussed the rationale for the proposed reduction in force of two inspectors in the Community Development Department, and the dramatic decline in revenue generated by building and planning permit fees.

**AGENDA
ITEM
NO.**

B.3 Update ... direction to staff regarding the FY2009-2010 Budget -- continued

Ms. Parrot continued with her overview of the Staff Report by discussing projected shortfalls in Redevelopment and the Planning and Sewer Funds.

Councilperson/Board Member Sferrazza requested additional information regarding the proposal to make the baseball payment from RDA2 rather than RDA1 funds.

Ms. Parrot agreed to provide more details regarding the RDA1 and RDA2 funds and projects at the January 27, 2010 meeting, and described in detail the necessary Civil Service reduction in force procedures.

City Manager/Executive Director Dreska provided an overview of the reductions in force proposed by each of the City departments. She reiterated that 22 of the positions are currently vacant, two are retirements and two may be transferred from the General Fund to another fund.

Councilperson/Board Member Hascheff, Ms. Parrot and Gayela Emory, Finance Department Senior Management Analyst, discussed the projected shortfalls in the Sewer Fund and the Redevelopment Agency, and staff agreed to provide additional information at the January 27, 2010 meeting.

Dick Scott, Chair of the Redevelopment Agency Advisory Board, and Councilperson/Board Member Hascheff discussed the terms of the \$1 million payment to the baseball developers.

Discussion ensued regarding whether the \$1 million payment would be paid from RDA1 or RDA1 funds, and projections of the amount of revenue the Baseball District will generate next year in property taxes (\$290,000).

Chief Alameda presented an overview of the Reno Fire Department's FY2009-2010 Budget and Staffing Plan.

Councilperson/Board Member Sferrazza asked what is included in the services and supplies category of reductions.

MAYOR/CHAIRMAN CASHELL PRESENT AT 3:29 P.M.

Chief Alameda replied that the services and supplies to be cut include utility reductions, hydrant parts, public education, supplies and a variety of other items. He agreed to provide the Council with a detailed list of those services and supplies, along with the risk associated with those cuts.

**AGENDA
ITEM
NO.**

B.3 Update ... direction to staff regarding the FY2009-2010 Budget -- continued

Joe Dourousseau, Emergency Operations Fire Battalion Chief, discussed current staffing levels and potential fire station brownouts and closures.

Councilperson/Board Member Sferrazza requested a chart detailing the types of fire fighting apparatus available at each fire station, and the number of calls for service at each station, including variations in summer and winter months.

Councilperson/Board Member Zadra requested that the chart also detail the number of calls for medical versus fire services.

Michele Hobbs, Senior Management Analyst, said that response data for the 2008 calendar year has been provided by station and type of run, and agreed to provide similar data for the 2009 calendar year with projected trends calculated through the remainder of the fiscal year.

Councilperson/Board Member Aiazzi asked how many times a year there are 100 Fire Department personnel scheduled to work and all 92 show up.

Operations Chief Dourousseau said that there are no more than a few days out of the year when all 92 people plus the 8 floaters show up for work and, if they do, five people are assigned to each fire truck and an additional rescue unit is manned.

Councilperson/Board Member Aiazzi requested that the Fire Department provide that data to the Council, along with information regarding whether layoffs should be implemented in the summer or winter months.

Councilperson/Board Member Dortch and Operations Chief Dourousseau discussed the staffing plan that was supposed to cut \$1 million from the Fire Department's 2009-2010 Budget, and why the plan did not achieve the projected savings.

Discussion ensued regarding the rationale for having four-man crews (when the Fire Department responds to a fire, two firefighters must remain outside while two firefighters enter the building, unless there is someone in the building that must be rescued), and the possibility of dropping down to three-man engine crews.

Councilperson/Board Member Dortch noted that only 5% of the Fire Department's calls for service are to put out fires, and suggested that four-man crews are not necessary because at least two fire engines always respond to a fire.

**AGENDA
ITEM
NO.**

B.3 Update ... direction to staff regarding the FY2009-2010 Budget -- continued

Operations Chief Dourousseau stated that the Fire Department responds to a fire within nine minutes with three engine companies, a truck, a Battalion Chief and a Safety Officer (i.e. 16 personnel).

Councilperson/Board Member Dortch and Operations Chief Dourousseau discussed the feasibility of preventing structure fires from spreading by responding to a fire with a three-man engine crew that can begin applying water to the structures while the second three-man engine crew is en route.

Chief Alameda and Councilperson/Board Member Dortch discussed response times, and how long it takes the second engine to arrive at the scene of a fire.

Operations Chief Dourousseau discussed the revised staffing plan, which includes closing Engine 10 (North Virginia Street), moving Truck 15 to that station, closing Truck 11 (which has low run-volume), and browning out Engine 19 (Somerset). He said that Somerset had only 97 calls for service in 2008, the houses are of fairly new construction, and the area could be serviced by Station 11, which is why that station has been targeted for possible closure. He also said that Sierra Fire Protection District #35 has the ability to respond to the southern portion of the Somerset area. Operations Chief Dourousseau suggested that if all overtime must be eliminated in the Fire Department, the next step would be to brownout Engine 7 (Skyline Boulevard), followed by Engine 9 (Stead).

Councilperson/Board Member Aiazzi and Operations Chief Dourousseau discussed calls for service at Fire Stations 7 and 10.

Operations Chief Dourousseau summarized by saying that it is hoped that reducing staff to 72 per shift would achieve a balanced FY2009-2010 Fire Department Budget.

Councilperson/Board Member Aiazzi and City Manager/Executive Director Dreska discussed known and anticipated retirements in the Fire Department.

Councilperson/Board Member Aiazzi said that while the chart presented to the Council indicates that 5% of the Fire Department's Budget would be \$2.5 million, only \$1.2 million in proposed savings has been proposed.

Operations Chief Dourousseau replied that the Fire Department was asked to calculate a RIF of 16 positions.

Ms. Dreska explained that over the past two years the Fire Department experienced a larger share of cuts and reductions than other departments.

**AGENDA
ITEM
NO.**

B.3 Update ... direction to staff regarding the FY2009-2010 Budget -- continued

Councilperson/Board Member Aiazzi and Ms. Hobbs discussed federal reimbursements to the City for wild land fires that occurred in 2007. Ms. Hobbs stated that the reimbursements only offset expenditures, and did not affect budget additions or reductions.

Councilperson/Board Member Aiazzi asked where the \$5 million in budget cuts were being made since the City has continued hiring firefighters and continued paying approximately the same amount in overtime as before.

Ms. Hobbs replied that the Fire Department's overtime expenditures have decreased, and this year's budget reduction was achieved by leaving vacant positions unfilled, cutting services and supplies, and mitigating overtime expenditures through truck brownouts and engine deployments. She said that the Department anticipates a balanced budget by the end of 2009-2010 without any RIF because they will have 50 vacant positions. With the RIF, she said there would be 62 vacant positions going into fiscal year 2010-2011.

Councilperson/Board Member Aiazzi reiterated that all other departments were asked to make a 5% reduction in their budgets, but the Fire Department proposed a 2.5% reduction in theirs.

Operations Chief Dourousseau said that a 1% cut for other departments equals a 1.28% cut for the Fire Department because a refund is made to the Truckee Meadows Fire Protection District.

City Manager/Executive Director Dreska agreed to return with a proposed 5% reduction in the Fire Department's Budget on January 27, 2010.

Councilperson/Board Member Sferrazza said that the SAFER (Staffing for Adequate Fire and Emergency Response) Grant stipulates that there will be no layoffs after a grant is accepted, and asked if SAFER Grants could be used to rehire the firefighters that would be laid off if today's budget recommendations are approved.

Maureen McKissick, Grant and Fund Development Manager, and Councilperson/Board Member Sferrazza discussed the possibility of rehiring under the SAFER Grant program those firefighters who received layoff notices earlier in the fiscal year, but are only now being laid off.

**AGENDA
ITEM
NO.**

B.3 Update ... direction to staff regarding the FY2009-2010 Budget -- continued

Rob Bony, Deputy City Attorney, said that SAFER Grant rules stipulate that applications for grants to rehire laid-off public safety employees are limited to a request for the same number of employees that was laid off between January 1, 2008 and October 31, 2009. He said that the grant specialist he and Ms. McKissick recently spoke with suggested that the City should apply for a new-hire rather than rehire grant.

Councilperson/Board Member Sferrazza asked if the firefighters could be rehired under the SAFER Grant if the reductions in force are approved today.

Ms. McKissick discussed SAFER Grant regulations and deadlines.

Councilperson/Board Member Sferrazza said that the City should apply for a SAFER Grant, even if the grant is awarded and ultimately declined.

City Manager/Executive Director Dreska stated that SAFER Grant rules stipulate no layoffs during the tenure of the grant.

Chief Alameda said that staff is already working on a SAFER Grant application for new-hires.

Discussion ensued regarding conflicting information that has recently been disseminated regarding SAFER grant applications.

Councilperson/Board Member Aiazzi suggested that there would be no reason for the IAFF (International Association of Firefighters) to negotiate their contract if the City accepts a grant stipulating that no firefighters will be laid off during the tenure of the grant.

Councilperson/Board Member Aiazzi and Mr. Bony discussed economic hardship stipulations related to SAFER grants, and the possibility of asking the Congressional Delegation for assistance.

Councilperson/Board Member Hascheff summarized that under the new-hire grant, the City could not lay off firefighters that were hired pursuant to the grant and, in addition, they could not lay off any firefighter, whether or not they were funded with grant money. In other words, he said, the City would be guaranteeing that there would no layoffs of firefighters during the tenure of the grant.

Councilperson/Board Member Dortch stated that the City could not afford to make that kind of guarantee.

**AGENDA
ITEM
NO.**

B.3 Update ... direction to staff regarding the FY2009-2010 Budget -- continued

Councilperson/Board Member Hascheff and Mayor/Chairman Cashell agreed that the City should apply for the new-hire grant even though they may not accept it if it is offered.

Councilperson/Board Member Sferrazza stated that the City should apply for the rehire grant because of the economic hardship situation in the public safety sector.

Councilperson/Board Member Dortch questioned the prudence of dedicating staff time to preparing and submitting grant applications that would probably not be accepted if they were awarded.

Councilperson/Board Member Hascheff and Mayor/Chairman Cashell agreed that guaranteeing employment to everyone in the Fire Department for three years would be unacceptable, but the City might be able to negotiate the terms of the grant.

Ms. McKissick suggested that conflicting information regarding the grant applications might have been disseminated by FEMA (Federal Emergency Management Agency) and DHS (Department of Homeland Security) because they were under pressure to release the RFP before it was fully vetted.

Mayor/Chairman Cashell requested that staff provide the Council with information regarding the policy for responding to calls for medical service, and suggested asking REMSA (Regional Emergency Medical Services Authority) to provide more ambulances with which to respond to calls for service.

Operations Chief Duroseau discussed the EMS program.

Councilperson/Board Member Dortch asked what staffing plan would be enacted if the Council agreed to implement the proposed RIF.

Operations Chief Duroseau said that Station 19 (Somerset) would be closed if 12 additional personnel are laid off, Station 7 would be browned out approximately 24% of the time instead of 13%, and Station 9 would be browned out approximately 13% to 15% of the time.

Councilperson/Board Member Dortch and Operations Chief Duroseau discussed details of the proposed fire station brownouts and closures, and the positive and negative repercussions of those actions, including a potential change in the ISO (International Organization for Standardization) rating.

Discussion ensued regarding ISO ratings and three-man engine companies.

**AGENDA
ITEM
NO.**

B.3 Update ... direction to staff regarding the FY2009-2010 Budget -- continued

Mayor/Chairman Cashell said that the City Manager/Executive Director should be given authority to move forward with a reduction in force of up to 32 Fire Department personnel, and should continue to work with the Fire Department to achieve additional budget cuts.

Councilperson/Board Member Aiazzi said that whether the RIF for the Fire Department is 16 or 32 personnel, the Fire Chief should return with a more comprehensive representation of the repercussions of the proposed brownouts and fire station closures.

Councilperson/Board Member Sferrazza said that options for recovering the cost of sending a fire truck to a house fire or accident by charging health or homeowners' insurance companies should be explored.

Tracy Chase, Chief Deputy City Attorney, responded that legal staff explored cost recovery options, and recommended to the City's Legislative Relations Manager that statutory provisions allowing the City of Reno to pursue cost recovery be brought forward at the next Legislative Session. She said that the City should be able to recover the costs, for example, of sending police, fire and/or medical teams to DUI (Driving under the Influence) accidents.

Councilperson/Board Member Sferrazza asked for clarification regarding what approving the resolutions will authorize the City Manager/Executive Director to do.

City Manager/Executive Director Dreska said that approving the resolutions would authorize her to move forward with a reduction in force as necessary. She said that while minor adjustments could be made in the departments' proposed 5% reductions, the goal is to reduce City expenditures by a minimum of \$5.967 million for the remainder of FY2009-2010.

Discussion ensued regarding the projected FY2010-2011 Budget shortfall.

NO ACTION WAS TAKEN ON THIS ITEM.

**AGENDA
ITEM
NO.**

- B.3.1 Resolution No. For City Council:** Resolution of the City Council of the City of Reno finding that it is necessary to reduce staff of City departments, and authorizing the City Manager to take all necessary and appropriate actions to implement this resolution in accordance with Section 9.140 of the City Charter, for Fiscal Year 2009-2010.

Gary Schmidt, no address provided, presented his views on this subject.

Tracy Chase, Chief Deputy City Attorney, noted that minor corrections to both resolutions are necessary.

It was moved by Councilperson/Board Member Hascheff, seconded by Councilperson/Board Member Aiazzi to adopt Resolution No. 7429 with minor corrections as stated.

Motion carried with Councilperson/Board Member Gustin absent.

- B.3.2 Resolution No. For Agency Board:** Resolution of the Redevelopment Agency Board of the City of Reno finding that it is necessary to reduce staff of the Redevelopment Agency, and authorizing the Executive Director to take all necessary and appropriate actions to implement this resolution, for Fiscal Year 2009-2010.

It was moved by Councilperson/Board Member Hascheff, seconded by Councilperson/Board Member Aiazzi to adopt Resolution No. 195 with minor corrections as stated.

Motion carried with Councilperson/Board Member Gustin absent.

- B.2 Staff Report:** Discussion and potential direction to staff regarding the 2009 SAFER (Staffing for Adequate Fire and Emergency Response) Grant - Fire Department Application.

Recommendation: Staff recommends that the Council direct staff to apply for the 2009 SAFER Grant.

It was moved by Councilperson/Board Member Sferrazza, seconded by Councilperson/Board Member Hascheff to uphold the staff recommendation.

Motion carried with Councilperson/Board Member Gustin absent.

MEETING ADJOURNED AT 4:49 P.M.